GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:887
ANSWERED ON:22.11.2007
UNIFORM RATE OF DRUGS
Ramadass Prof. M;Shiwankar Shri Maha Deo Rao

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the Union Government has decided to have a uniform rate of drugs inclusive of the local taxes printed on the medicine packs for the benefit of the consumers;

(b) if so, the facts thereof;

(c) whether the rate of local taxes vary from State to State;

(d) if so, the manner in which the Government proposes to resolve this issue in consultation with the State Governments;

(e) whether it was also decided to print the price of the drugs and the sales tax to be charged thereon separately on the pack in view of the varying rates of the taxes;

(f) if so, the details thereof; and (g) the steps taken to resolve the issue of inclusion of local levies in the Maximum Retail Price (MRP) of medicines? ANSWER MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS AND

Answer

MINISTER OF STATE IN THE MINISTRY OF PARTLIAMENTARY AFFIRS (SHRI B.K. HANDIQUE)

(a) to (g): Vide S.O. No. 946(E) dated the 26th June, 2006, the Maximum Retail Price (MRP) of medicines inclusive of all local taxes has been made effective from the 2nd October, 2006. The batches manufactured after 2nd October, 2006 are required to carry the MRP inclusive of all taxes. However for imported formulations, MRP inclusive of all taxes has been made applicable w.e.f. 1-3-2007. Accordingly, National Pharmaceutical Pricing Authority has now started notifying ceiling prices (exclusive of Excise Duty, and VAT) and equivalent MRP (Inclusive of Excise Duty and VAT).